

REFERENCE TITLE: federal income tax; collection; remission

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SB 1459

Introduced by
Senator Martin

AN ACT

AMENDING TITLE 43, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 15; RELATING TO FEDERAL INCOME TAX COLLECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 43, Arizona Revised Statutes, is amended by adding chapter 15, to read:

CHAPTER 15

COLLECTION AND REMISSION OF FEDERAL INCOME TAX

ARTICLE 1. GENERAL PROVISIONS

43-1501. Collecting federal income tax

A. ALL RESIDENT INDIVIDUALS AND CORPORATIONS THAT HAVE INCOME TAX LIABILITY UNDER CHAPTER 10 OR 11 OF THIS TITLE SHALL PAY THE TAXPAYER'S FEDERAL INCOME TAX LIABILITY, INCLUDING ANY PENALTIES AND INTEREST, UNDER TITLE 26 UNITED STATES CODE TO THE DEPARTMENT AT THE SAME TIME AND IN THE SAME MANNER PRESCRIBED BY LAW FOR PAYING STATE INCOME TAX.

B. THE DIRECTOR MAY ENTER INTO CONTRACTS WITH THE COMMISSIONER OF INTERNAL REVENUE AS NECESSARY TO ADMINISTER THE COLLECTIONS AND REMISSIONS OF FEDERAL TAX UNDER THIS CHAPTER. THE CONTRACTS SHALL INCLUDE PROVISIONS FOR THE NECESSARY EXCHANGE OF INFORMATION BETWEEN THE INTERNAL REVENUE SERVICE AND THE DEPARTMENT THAT IS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS CHAPTER.

C. THIS SECTION DOES NOT AUTHORIZE AUDIT OR ANY OTHER ENFORCEMENT ACTION BY THE DEPARTMENT WITH RESPECT TO FEDERAL TAX LAW.

43-1502. Federal income tax trust fund

A. THE FEDERAL INCOME TAX TRUST FUND IS ESTABLISHED.

B. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR PAYMENTS OF FEDERAL INCOME TAX UNDER THIS CHAPTER AND REMIT THEM IMMEDIATELY TO THE STATE TREASURER FOR CREDIT TO THE FUND. MONIES IN THE FUND ARE NOT STATE REVENUES FOR ANY PURPOSE UNDER THE CONSTITUTION AND LAWS OF THIS STATE, BUT ARE HELD IN TRUST FOR TRANSFER TO THE UNITED STATES EXCEPT AS PROVIDED BY SECTION 43-1503.

C. AFTER WITHHOLDING ANY AMOUNTS UNDER SECTION 43-1503, THE STATE TREASURER SHALL TRANSFER EACH DAY ALL REMAINING MONIES IN THE TRUST FUND TO A DEPOSITORY IN THIS STATE DESIGNATED PURSUANT TO SECTION 7808 OF THE INTERNAL REVENUE CODE. THE TRANSFERS SHALL BE MADE BY ELECTRONIC FUNDS TRANSFER OR ANY OTHER MEANS REQUIRED BY THE COMMISSIONER OF INTERNAL REVENUE.

43-1503. Illegal immigration costs; reimbursement

A. ON OR BEFORE JUNE 30 OF EACH YEAR, THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING SHALL JOINTLY DETERMINE THE STATE GOVERNMENT COSTS INCURRED FOR THE ENDING FISCAL YEAR FROM THE PRESENCE OF UNDOCUMENTED IMMIGRANTS IN THIS STATE, INCLUDING COSTS FOR HUMAN AND SOCIAL SERVICES, LAW ENFORCEMENT, PROSECUTION AND INCARCERATION.

B. BEGINNING JULY 1 OF EACH YEAR, THE STATE TREASURER SHALL TRANSFER FROM THE FEDERAL INCOME TAX TRUST FUND TO THE STATE TREASURY FOR CREDIT TO THE STATE GENERAL FUND PAYMENTS NECESSARY TO REIMBURSE THE STATE TREASURY IN FULL FOR THE COSTS DETERMINED PURSUANT TO SUBSECTION A.